



USAID | GEORGIA

FROM THE AMERICAN PEOPLE

ENERGY AND ENVIRONMENT

July 2006



Photo: Misha Beirashvili

Eter Tsitskashvili, a housewife and grandmother from Rustavi, now enjoys a regular supply of electricity. "Everything has changed upon [the Americans'] arrival. We receive bills now and we always pay. The foreigners have kept their promise. They have helped us replace the electricity meters and placed a control system in order," said Eter.

GEORGIA SNAPSHOT

Date of independence: 1991
Capital: Tbilisi
Population: 4.5 million
Annual income per person: \$1,040

For more information, see
<http://georgia.usaid.gov>

CURRENT SITUATION

Georgia's energy sector lags behind its neighbors' and other countries' in Central and Eastern Europe for many reasons, including years of neglect and widespread corruption. Although Georgia has the potential to produce more energy and the government recognizes that reform is vital for long-term economic growth, Georgia's power



sector is still not able to meet its current and future energy demands.

USAID has invested more than \$71 million in Georgia's energy sector since 1999. Initially, efforts centered on legal and regulatory reform and winter heating assistance to vulnerable segments of the population. Today, efforts are focused on energy sector operations by improving energy distribution efficiency, rural access to energy, regional water monitoring, and watershed management.

On the environmental front, Georgia's natural resources suffer from lack of attention, poor protection, and poor management. This has resulted in their serious degradation. USAID assistance is helping to strengthen government and NGO capacity to manage these critical assets.

PROGRAM FOCUS

1. Advisory support to the Ministry of Energy;
2. Management of the state-owned United Energy Distribution Company (an electricity distributor), at the request of the Government of Georgia;
3. Community energy and environmental planning and development, including credit for renewable/energy efficiency projects;
4. Public awareness and participation in energy reform; and
5. Address serious environmental impacts on the Kura-Aras river basin.

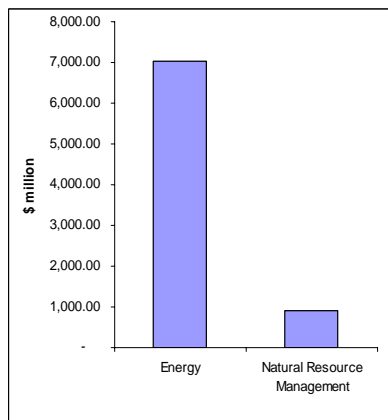
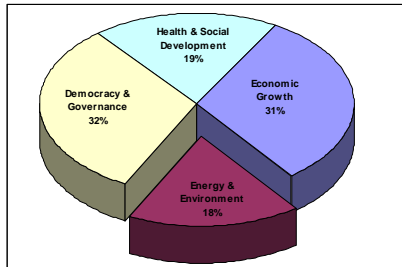


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ENERGY AND ENVIRONMENT CONTINUED

Percentage of USAID's 2006 budget spent on Energy and Environment:



CONTACT INFORMATION

Mission Director
Robert Wilson
25 Antoneli Street
Tbilisi, 0105 GEORGIA
Tel: +995 32 92 28 44

Elizabeth Roen
Georgia Desk Officer
Tel: +1 202 712 1493

SUCCESSSES

- USAID management of the government-owned electricity distribution company streamlined human resources, installed electricity meters, and automated processes – which included eliminating cash bill collectors – resulting in an increase in consumer bill collection from 17% to 80% between 2003 and 2006
- Attracted 35 million Euro loan from the German development bank KfW to install additional individual meters along Georgia's electricity network and for upgrading the electricity distribution system
- Supplied heating assistance for seven winters through the Georgia Winter Heating Assistance program, benefiting 230,115 households, 685 institutions, and 20,554 internally displaced persons
- Advised Ministry of Energy to clarify and document plans for meeting winter energy needs, to develop an initial electricity master plan and to develop and implement a community outreach plan
- Provided national parks expertise from the U.S. Department of Interior to develop visitor services and law enforcement to protect Georgia's wildlife from poaching